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Technical cooperation among developing countries

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TECHNICAL COOPERATION AMONG DEVELOPING COUNTRIES

Draft report of the High-level Committee on the Review of Technical Cooperation among Developing Countries

Rapporteur: Mrs. Sharifah Zarah Syed Ahmad

Addendum

Contents

Chapter		*Paragraphs*	*Page*
I.	High-level Committee General Debate	1-31	2-6
II.	Views of Member States	32-57	6-10
III.	Thematic Discussion	58-71	11-13
	A. Remittances	63-66	11-12
	B. Pharmaceuticals and health care	67-68	12
	C. Information and communications technology	69-71	12-13
IV.	Commemoration of the twenty-fifth anniversary of the adoption of the Buenos Aires Plan of Action on the Promotion and Implementation of Technical Cooperation among Developing Countries	72-81	13-14
V.	Organizational matters	82-87	14-15
	A. Agenda of the organizational meeting	83	14
	B. Election of the President	84	15
	C. Election of officers other than the President	85-86	15
	D. Adoption of the agenda and organization of work	87	15
	E. List of documents before the High-level Committee on the Review of Technical Cooperation among Developing Countries at its thirteenth session		15

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I. High-level Committee General Debate

1. In the General Debate, the views of specific groups of States were expressed by Morocco (on behalf of the Group of 77 and China), Greece (on behalf of the European Union and a number of associated countries), Peru (on behalf of Rio Group), and Lao People's Republic (on behalf of landlocked countries). Representatives of the Latin American Economic System (SELA), the Organization of the Islamic Conference (OIC), and Partners in Population and Development spoke on behalf of their member States. The Under-Secretary General and High Representative for the Least Developed Countries, Landlocked Countries and Small Island Developing States made a presentation. The representatives of the International Trade Centre (a joint UNCTAD/WTO operation) and UNIDO also addressed the meeting.

2. The following account of the debate presents the views of the Group of 77 and China and the European Union, of subregional groupings, and other participants.

3. Before the debate began, delegates observed a minute of silence in memory of the victims of the recent earthquake in Algeria. There were many expressions of condolence to the Government and people of Algeria.

4. Initiating the debate, the Permanent Representative of Morocco, on behalf of the Group of 77 and China, said that the thirteenth session of the High-level Committee on the Review of Technical Cooperation among Developing Countries was taking place at an important historical juncture and offered a unique opportunity for developing countries to take stock of their record of achievements and shortcomings and create a new vision for the future. As globalization posed increased challenges for developing countries in a number of different areas, renewed emphasis was necessary on South-South cooperation in forging a new agenda for developing countries and a new vision for technical cooperation. TCDC activities should be considered one of the important elements of a comprehensive development strategy that complemented North-South cooperation and was necessary to realize the Millennium Development Goals.

5. Noting the broad international support for South-South cooperation, he cited the Havana Declaration and Programme of Action adopted by the South Summit in 2000. The Declaration had paid particular attention to the potential of South-South cooperation in optimizing the development potential of developing countries by mobilizing and sharing available resources and expertise. It had viewed such cooperation as an integral part of the mutual relations of developing countries and an important means to promote the exchange of ideas, experience and knowledge. The General Assembly in resolution A/RES/57/263 had urged an intensification of South-South and triangular initiatives to achieve internationally agreed development goals. The 2001 Conference on Least Developed Countries in Brussels, the 2002 Conference on Financing for Development in Monterrey, and the Johannesburg World Summit on Sustainable Development, also in 2002, had all called specifically for strengthened South-South cooperation. Development partners such as the European Union and its member States, Australia, Canada, Japan, United States, and others had also supported South-South cooperation; the Group of 77 and China hoped other developed-country partners would join the effort. Such triangular cooperation enhanced the sense of ownership, lowered the costs of development programmes, and strengthened international solidarity. It should be part of a new vision for South-South cooperation, along with other innovative approaches.

6. Despite the positive trends, South-South cooperation had not been commensurate with the comprehensive nature of commitments in various declarations and plans of action nor had it realized the potential of existing capabilities and capacities among developing countries. The inadequacy of financial resources continued to be a serious obstacle. The pivotal developing countries had a crucial role in promoting TCDC, and the resources they committed to South-South cooperation needed to be leveraged by contributions from developed countries. The private sector, which was not sufficiently engaged in South-

South cooperation, could also help expand the scope of activities. The situation of developing countries with weak private sectors or none at all needed consideration.

7. Another area of expansion of South-South cooperation was in the operational activities of the United Nations system. The Group of 77 and China appreciated the positive role of United Nations agencies and organizations, especially the Regional Commissions, FAO, IFAD, ITC, UNAIDS, UNCTAD, UNDCP, UNESCO, UNFPA, UNIDO, UPU, WHO, and WIPO. More needed to be done, however, for South-South cooperation to achieve adequate visibility in United Nations system activities.

8. The role of UNDP and the Special Unit on TCDC in promoting and expanding the scope and vision for TCDC had been "outstanding". The Havana Summit in 2000 had stressed the importance of the Special Unit and invited the UNDP Administrator to preserve its identity and strengthen it as the United Nations focal point for South-South cooperation. The Summit had called for additional resources in order for the Special Unit to implement fully its mandates and responsibilities. The mobilization of additional financial resources as soon as possible could include new and innovative mechanisms to promote and enhance TCDC activities. Broad-based partnerships for TCDC should engage all relevant stakeholders, including the private sector and NGOs.

9. To address the major constraint of insufficient financing, the Group of 77 and China called for increased funding of technical cooperation through the core budget of UNDP, bilaterally by donor countries, and by developing countries. Increased contributions were needed for the Voluntary Trust Fund for the promotion of South-South cooperation established by the General Assembly to channel contributions in support of the Special Unit for Technical Cooperation among Developing Countries. Increased support was also urged for the Perez-Guerrero Trust Fund for Economic and Technical Cooperation among Developing Countries, which had been established in accordance with General Assembly resolution 38/203 of 20 December 1983.

10. While celebrating the 25th anniversary of the adoption of the Buenos Aires Plan of Action, The Group of 77 and China looked forward to the High-level Conference on South-South Cooperation to be held in Marrakech, Morocco, from 16-19 December 2003. It would advance the action-oriented objectives of South-South cooperation as an indispensable part of a broader strategy of international development cooperation with the help of development partners.

11. The representative of Peru, speaking on behalf of the Rio Group, noted that the priorities for technical cooperation among developing countries that had been established by the General Assembly in its New Directions resolution of 1995 continued to be relevant. These priorities included poverty alleviation, employment, trade and investment, debt, the environment, production and macroeconomic policy coordination and aid management. At the same time, however, new instruments and innovative partnership programmes were needed to enable the achievement of the development objectives that had been agreed at various conferences.

12. In this context, the high-level Conference on South-South Cooperation to be convened by the Group of 77 and China in Marrakech in December and the regional preparatory meeting to be held in Caracas in June should give impetus to South-South cooperation. This in turn would help developing countries to meet the commitments made at the South Summit in 2000, the 2001 Conference on Least Developed Countries in Brussels, the 2002 Conference on Financing for Development in Monterrey, and the Johannesburg World Summit on Sustainable Development in the same year.

13. The value of triangular cooperation arrangements was illustrated by the initiative between the Rio Group and the European Union for the establishment of the Training Centre for Regional Integration (CEFIR) in Uruguay. CEFIR would contribute to the exchange of experience and information among high-level officials from the public and private sectors involved in public policies on integration within the context of various regional free-trade arrangements such as MERCOSUR. The possibilities offered by

triangular cooperation could be explored at the International Ministerial Conference of Landlocked and Transit Developing Countries and Donor Countries and International Financial and Development Institutions on Transit Transport Cooperation to be held in Kazakhstan in August.

14. The Rio Group noted that regional and subregional integration efforts had contributed significantly to the promotion of South-South cooperation. Examples of such integration mechanisms included the Andean Community, the Caribbean Community, the Central America Integration System and MERCOSUR.

15. The Rio Group indicated that technical cooperation among developing countries could also be promoted through the establishment of an Internet-based network of focal points that could, for example, facilitate exchanges of information and experiences, coordinate bilateral and multilateral proposals, and seek to integrate the private sector into programmes of international cooperation.

16. Development of a methodology for the follow-up and evaluation of technical cooperation programmes and activities would improve the efficiency of cooperation initiatives and help to identify successful practices. Greater efforts should be made to ensure the dissemination of such practices.

17. The bilateral cooperation provided by Japan through its Partnership Programme was considered to represent a new generation or phase of South-South cooperation because the partnership implied sustained actions with greater impact than traditional activities. The Rio Group also expressed its appreciation for the support it had received from the Perez-Guerrero Trust Fund for Economic and Technical Cooperation among Developing Countries of the Group of 77, funds for which are channelled through United Nations Development Programme.

18. The Permanent Representative of Greece, speaking on behalf of the European Union and related countries, said that South-South cooperation had drawn substantial and increasing support from developed countries and the importance of triangular cooperation had proved its merits on several occasions dealing with financing arrangements, partnerships and information-sharing. The 2002 Monterrey Conference on Financing for Development had called for enhanced South-South capacity development in areas such as institutional infrastructure, human resource development, public finance, public administration, social and gender budget policies, debt management and early warning and crisis prevention. The European Union believed that in the context of the Monterrey Consensus as well as in the context of the Millennium Declaration, of the Brussels Programme of Action for the Least Developed Countries and of the Johannesburg Plan of Implementation, South-South cooperation had proved to be a crucial factor for development. The European Union looked forward to the forthcoming Summit on the Information Society to contribute to progress in bridging the digital divide.

19. The biggest challenge for enhancing technical cooperation among developing countries was the full implementation of the various action plans for cooperation. There was a need for a strategic approach to prepare developing countries to enter global markets. A system of reliable estimates was also needed to show that governments had given priority to technical cooperation in their broader development policies. Poverty-reduction strategies and long-term partnerships were means of addressing the existing shortcomings in that regard. The use of the existing expertise and experiences available in the more advanced developing countries was a major element of strength.

20. Regional and subregional integration would add further opportunities for technical cooperation by allowing developing countries to overcome the limitations of small economic size, enhancing economies of scale, and facilitating foreign direct investment on better terms, thus helping their increased participation in the global economy. Further, such integration would create a wider platform for change and increase the credibility of policy change by locking in reforms.

21. The European Union appreciated that NGO involvement in South-South cooperation was increasing and that the United Nations development system, through UNDP, its specialized agencies and programmes

and the regional commissions, continued to support such cooperation by seeking innovative development practices. The initiative of countering HIV/AIDS via the education system was a good example.

22. The European Union continued to support the work of the United Nations system to promote TCDC in all relevant programmes. It would give due consideration to the Revised Guidelines for the Review of Policies and Procedures concerning TCDC together with the common results framework that was annexed to the report of the UNDP Administrator. Noting the need for increased efficiency and effectiveness in TCDC through better coordination and streamlining of the various institutions and initiative, the European Union indicated that the Special Unit for TCDC had a pivotal role in the institutional architecture for the management of South-South cooperation.

23. The European Union acknowledged the essential role of technical cooperation among developing countries in development cooperation as it is elaborated in the Buenos Aires Plan of Action and in the report on New Directions. Given that the primary responsibility for technical cooperation among developing countries belonged to the developing countries themselves, the European Union joined the United Nations development system in supporting their efforts. A strategic perspective of the role of technical cooperation among developing countries and the implementation of action plans for cooperative action would contribute to the ultimate goal of national and collective self-reliance and render South-South cooperation a key factor in the achievement of the internationally agreed development agenda. The European Union would continue to be a reliable partner in that respect.

24. Among the concrete examples of developed country support for South-South cooperation were those involving Japan, which had contributed approximately $28.5 million to the activities of the Special Unit for Technical Cooperation among Developing Countries. Among the notable projects it had thus supported were two Africa-Asia Business Forums (one in Malaysia and the other in South Africa) with the collaboration of UNDP, and the programme to develop the New Rice for Africa (NERICA). The Africa-Asia Business Forums facilitated networking among business communities and agreements on joint ventures which could give rise to new trade and investment opportunities. They were part of a broader process to improve Africa-Asia links through the Tokyo International Conference on African Development (TICAD) process. The year 2003 marked the tenth anniversary of that process and TICAD III would be held at the end of September.

25. Among examples of triangular cooperation were Japan's Third Countries Training Programme, the Third Countries Experts Programme and the Partnership Programme. For example, Japan had provided financial assistance to help the Government of Ghana provide training to participants from neighbouring countries in administering polio vaccinations. In the United Republic of Tanzania, Indonesian agricultural experts dispatched by Japan with its financial assistance had provided technical training on the use of cows for rice cultivation. Under the comprehensive Japan/Chile Partnership Programme, technical cooperation had been extended to Cuba in the field of fisheries development, to Bolivia in the field of vegetable and animal sanitation, to the Dominican Republic for teacher training, and to countries in Central America and Caribbean islands.

26. The Permanent Representative of the Lao People's Democratic Republic, speaking on behalf of the Landlocked countries, called for special measures to help them to deal with serious obstacles to development that stemmed from difficult transport and transit situations. Arriving at solutions to these problems would require not only reducing tariffs charged for transit but also long-term programmes to improve transportation infrastructure. To address these issues, the landlocked countries would convene the first ministerial conference in Kazakhstan in August 2003. Although in the past, South-South cooperation had played only a limited role in helping landlocked countries to deal with their problems, owing primarily to lack of information and awareness, it was hoped that this situation would improve with the increased use of the Web of Information for Development by landlocked countries.

27. The importance of regional cooperation was emphasized by many speakers. The experience of the Latin American Economic System was relevant in the organization of annual meetings of the directors of international cooperation activities. So far, said the representative of SELA, 27 such meetings had been held. Other regional organizations noted by speakers were the Andean Community, the Caribbean Community, the Central America Integration System and MERCOSUR. These efforts at regional integration had made progress despite the difficulties posed by the current international environment and a decrease in traditional North-South cooperation. In Africa, the example of South-South cooperation most often cited in the debate was NEPAD. Nigeria and South Africa stressed the importance of the New Partnership for Africa's Development (NEPAD).

28. South Africa noted that it was an entirely African initiative that reflected the experience of the continent with development and emphasized the need for democracy and human rights as the basis for progress. Nigeria said that the birth of the African Union and NEPAD would give greater impetus to South-South cooperation. Equatorial Guinea noted its participation in a number of different regional cooperation efforts under the auspices of the Central African Bank, the Development Bank of Central African States, the Economic Community of Central African States and the ACP.

29. The delegate of the Organization of Islamic Conference (OIC) noted that all 57 members of the OIC were developing countries, and they had taken a lead role in promoting South-South cooperation The OIC was interested in innovative approaches to programmes of social protection in the informal sector. In that regard, the OIC would support the United Nations in the commemoration of the Tenth Anniversary of the International Year of the Family in 2004, because it regarded the family as the basic social unit of society. The OIC was also supporting the promotion of business, agriculture and services sector, the major areas for job creation Presentations were also made separately by the OIC's Statistical, Economic and Social Research and Training Centre for Islamic Countries, and by the Islamic Development Bank. They noted a variety of cooperation initiatives among OIC members.

30. The representative of Partners in Population and Development said the organization had been granted permanent observer status by the General Assembly by resolution 57/29. With a membership of 19 developing country members (Bangladesh, China, Colombia, Egypt, Gambia, Mali, India, Indonesia, Jordan, Kenya, Mexico, Morocco, Nigeria, Pakistan, Tunisia, Thailand, Uganda, Yemen and Zimbabwe), the organization was expanding and improving South-South cooperation in the fields of family planning and reproductive health. It had three major programmes in the area of training and institution building: a fellowship programme financed largely by developing country institution; a Global Leadership Training Programme funded by the Bill and Melinda gates Foundation; and a "Visionary Leadership" Programme launched in cooperation with the International Council on Management of Population Programmes (ICOMP) based in Malaysia and the Centre for African Family Studies based in Kenya.

31. An overwhelming majority of the speakers expressed strong appreciation for the outstanding work of the Special Unit in promoting South-South and triangular cooperation and in further advancing its scope and vision in this regard during the last two years, acclaiming in particular the leadership of its Director, Mrs. Safiatou Ba N'Daw.

II. Views of Member States

32. Every speaker in the debate emphasized the importance of South-South cooperation and the continued relevance of the action plan adopted 25 years ago by the Buenos Aires Conference on technical cooperation among developing countries. Although there has been encouraging developments in the implementation of the Buenos Aires Plan of Action, much more needed to be done to realize the objectives of South-South cooperation. Malaysia said there was a need to strengthen South-South cooperation with a view to increased effectiveness in multilateral processes and organizations. Institutions and mechanisms of

the South, including the Special Unit for TCDC, the South Centre in Geneva, and the Non-Aligned Movement's Centre for South-South Technical Cooperation, should be strengthened, with support from the international community, NGOs and the private sector.

33. The wide range of national South-South cooperation efforts was cited by a number of speakers. The most frequently noted activities were training and the provision of experts to other developing countries. A number of pivotal countries referred to programmes that involved the training of thousands of nationals from other developing countries. Health, education, human resources development, information technology, language instruction, parliamentary studies, the strengthening of audit, banking and statistical services, mass communication, agricultural development, improved food security, civil and military training, public administration and diplomacy were among the areas of cooperation cited. The important role of South-South cooperation in combating HIV and AIDS was mentioned repeatedly during the debate. Food aid and disaster relief were also areas of cooperation.

34. Despite the changes in the international environment, the problems facing developing countries had remained the same, a number of delegates said. India said that TCDC and South-South cooperation remained strongly relevant modalities despite the shift from command economies to free market approaches to development.

35. Many developing countries expressed frustration at the failure to achieve the full potential of South-South cooperation. Nigeria asked what there was to celebrate on the 25th anniversary of the Buenos Aires Conference: the problems facing developing countries remained the same. The general view was that the potential for productive cooperation among developing countries remained largely untapped. The majority of developing countries emphasized the need to accelerate South-South cooperation by strengthening the capacity of developing countries to participate effectively in multilateral processes and organizations. Institutions and mechanisms necessary to achieve that also needed to be strengthened.

36. Among the major constraints on South-South cooperation, several speakers cited the lack of a coherent strategy or structure within which national focal points for technical cooperation among developing countries could operationalize cooperation. Others noted the absence of national coordinating mechanisms. A number of speakers mentioned the need for political will; one representative added that political will was useless without money. Several speakers highlighted the need to make the best use of the latest information and communications technology in overcoming such deficits. The mainstreaming of South-South cooperation was considered by many delegations to be an essential component of any effort to overcome these difficulties.

37. In dealing with globalization, developing countries were in general agreement on the need to share capabilities and capacities, information about their development experiences and available resources. Their educational and research institutions needed to work together to develop human resources and address other common problems. Several representatives of developing countries mentioned the need for greater cooperation at the regional and subregional levels.

38. A number of developing countries indicated the level of their support for technical cooperation among developing countries in financial terms. China announced a commitment to contribute $2 million to the TCDC Trust Fund between 2003 and 2005. India said that its cumulative expenditure on its South-South cooperation was over $3 billion. Turkey said that as an "emerging donor", it provided official development assistance that had averaged over $100 million annually since 1997. In 2000-2001, it was $154.4 million, of which $34.2 million was for technical assistance. Thailand's expanding programme of South-South cooperation was funded at 230.57 million Baht. Japan had contributed a total of $28.5 million to support the activities of the Special Unit for Technical Cooperation among Developing Countries.

39. The importance of information in enabling and operationalizing South-South cooperation was emphasized by numerous delegations. Several speakers cited the documentation submitted to the High-level

Committee to underscore the need for much greater attention to information flows; without such flows, it would not be possible to adopt a strategic approach to South-South cooperation. The lack of adequate information available about TCDC capabilities and opportunities was generally acknowledged to be a serious constraint on cooperation. In particular, there was need to ensure adequate information flows to national TCDC Focal Points.

40. Many speakers emphasized the key role that South-South cooperation could play in the achievement of the Millennium Development Goals. In speaking of the need to revitalize South-South cooperation and give it an action-oriented agenda, a number of delegations mentioned the forthcoming High-Level Conference on South-South Cooperation to be convened by the Group of 77 in Marrakech, Morocco, on 16-19 December 2003.

41. A number of countries expressed deep frustration that developing countries had been unable to make more progress in South-South cooperation. The problem, said Venezuela, was more than a lack of resources or political will, or support from the UN system or of legal basis for action. The fundamental problem was lack of dynamism, of strategic implementation of agreed plans. There was need for high-level coordination; the Bureau of the HLC should be authorized to move towards that objective. The forthcoming regional preparatory meeting in Caracas (16-17 June) for the Group of 77 meeting on South-South cooperation in Morocco in December would be significant.

42. There were many suggestions for new priorities for action. Indonesia said that South-South cooperation should focus on the international debt of developing countries, which had more than tripled in the 25 years since the Buenos Aires Conference and which stood at nearly $1.25 trillion. Indonesia also urged the formulation of a strategic approach to interregional cooperation so that Africa and Asia, with 4.3 billion people, could pool available resources more effectively in dealing with a host of shared development problems.

43. The topic of lessons learned was frequently mentioned. Thailand said that effective coordination required national focal points to be in place; language differences were an obstacle to information exchange and partnership that needed financial resources to overcome. It proposed that developed and developing countries co-organize forums for regional or inter-regional cooperation, and that countries identify common interests, needs and strengths. National focal points should be active and effective. Partners from developed countries and the private sector should be asked to finance South-South activities. There should be support for strong business networks in developing countries. In transfer of technology, priority should be given to simpler technologies.

44. Among the examples of triangular cooperation was that of the Philippines and Japan in the context of the Asian Productivity Organization: the programmes on "Managerial and Entrepreneurship Development for Supporting Industry;" and the "Total Quality Management for the Health Care Sector".

45. The initiative of the Special Unit for TCDC to engage the private sector was welcomed by many speakers. Philippines was especially supportive of the discussion on remittances of developing country nationals, for such remittances amounted to twice the total official development aid it received. The real income was probably much more, for the statistics reflected only transfers through formal channels. The role of South-South cooperation in dealing with remittances should be further explored.

46. Among the programmes of South-South cooperation in Information and Communication Technology (ICT), was that of Republic of Korea, which was sending 250 experts to 25 countries in the last decade. Youth volunteers were now being sent to teach Internet usage in a number of developing countries. It had helped develop regional information and telecommunications centres through the Korea ECA Cooperation Fund and the Korea ESCAP Fund. Expressed strong support for WIDE and the Special Unit for TCDC. It supported the strategic reorientation of Special Unit for TCDC work, but wanted any changes with financial implications to be presented in detail.

47. Pakistan reported on a meeting on 23 May in New York of 15 pivotal countries (out of 23 identified by Special Unit for TCDC in 1995). The meeting concluded that as cooperation among developing countries had clearly gone beyond the traditional notion of TCDC and ECDC, it would be appropriate to use the term South-South cooperation to describe both modalities. The participants at the meeting had agreed to develop "several concrete initiatives". These included the promotion of regional trade; support for the exports of countries lagging in trade; technology transfer in the areas of health, environment, energy and sustainable livelihoods; increased use of ICT for development; and the empowerment of women in all areas of activity.

48. On priorities for technical cooperation among developing countries, poverty alleviation, employment, trade and investment, debt, the environment, production and macroeconomic policy coordination, and aid management were all issues that remained relevant. However, many speakers stressed the need for a revitalized effort to achieve the objectives that had been set. In this context, consideration should be given to strategic interregional cooperation. One representative suggested that technical cooperation among developing countries be expanded into the areas of trade, investment and finance with a view to strengthening regional and interregional links.

49. A very specific proposal relating to national focal points was that they establish an Internet based network with a view to exchanging information and experiences of cooperation, coordinating bilateral and multilateral action, systematizing and distributing information, and incorporating the private sector into international cooperation. Even when information was available at the national level, said one representative, differences in language and difficulties of access often prevented its use to support South-South cooperation. In that context, the importance of the Web of Information for Development (WIDE) maintained by Special Unit for TCDC was emphasized by a number of countries. Singapore noted with satisfaction the quality of WIDE and deplored its low usage by developing countries.

50. It was not just the quantitative insufficiency of information that was of concern; its quality was also an issue. Several participants noted the need for criteria in selecting and evaluating best practices. One speaker said there was need to create "information tools" that would ease the problems faced by national focal points in identifying and accessing the information they needed to function effectively. Pivotal countries were asked to facilitate the sharing of the information they had. One speaker suggested that a network of national focal points could energize cooperation if there was a shared methodology and tools to evaluate available information in terms of usefulness and impact. Costa Rica had created a "stock market of best practices" for use by practitioners.

51. It was generally recognized that the progress made by a number of pivotal developing countries had strengthened the collective capacity and potential for South-South cooperation. While it was generally acknowledged that pivotal countries were playing an extremely important role in promoting South-South cooperation, a number of speakers saw the need for improving the existing modalities. China suggested that each developing country, and especially the pivotal countries, establish an agency for South-South cooperation. It was doing so itself.

52. The issue of partnerships was raised in a variety of contexts. Primarily, the focus was on the relationship of developing countries to each other and the role and potential of the pivotal countries. Other important aspects involved the role of developed countries, the United Nations System, the private sector and non-governmental organizations. There was a particular focus on the role of the private sector. Some speakers were of the view that a fuller partnership with the private sector could address a number of key issues, including the inadequacy of financing and financial services. Concrete ideas were needed on how to fully engage the private sector; it was also necessary to address the situation of developing countries where the private sector was weak or did not exist at all.

53. Many speakers were strongly supportive of the role of UNDP and of its Special Unit for TCDC in supporting South-South cooperation, promoting and expanding its scope and vision. They commended the

Director of the Special Unit for the important role that she had played in developing new programmes and raising the profile of the Special Unit. A few countries suggested that the Special Unit for TCDC be renamed the Special Unit for South-South Cooperation. One delegation urged that the status of the Special Unit be upgraded and strengthened to be commensurate with its system-wide and global coordination and facilitation roles with respect to South-South cooperation. The movement to focus cooperation on a number of strategic issues of common concern to many developing countries was commended. Some speakers were of the view that the mainstreaming of TCDC in UNDP activities was more apparent at headquarters than in the field offices. There were numerous calls for strengthening the Special Unit for TCDC and for increased resources to enable it to function more effectively.

54. The Under-Secretary and High Representative for the Least Developed Countries (LDC), Landlocked Countries (LLDC) and Small Island Developing States (SIDS) said that despite professed attention of the international community during the past years, the LDCs continued to be marginalized in the global development process. The population in the LDCs had risen to about 11% of the world's population but the number of people living on less than one US dollar in the LDCs was increasing and would reach 420 million by 2015. He said South-South cooperation had the potential to play a significant role in promoting sustained growth and development for the LDCs, citing the Brussels Programme of Action (BPoA) adopted in May 2001 as an example. He said the BPoA also emphasized that South-South cooperation was not a substitute for North-South cooperation, but rather a complement. He encouraged the use of triangular mechanisms which he said could ensure success through financing by donor countries.

55. He also noted that increased regional cooperation and greater market opportunities among developing countries in general and with LDCs in particular were the key factors for the expansion of South-South trade. He said this would enhance the LDCs production process and marketing skills and further equip them to tackle the more demanding markets of the North. The LDCs were becoming aware that in order to participate more effectively in multilateral processes, and compete in the increasingly competitive world market, they and other developing countries had to build the required capacities and share experiences among themselves.

56. The representative for UNIDO gave some examples of UNIDO programmes and projects that supported South-South cooperation in the areas of investment and technology promotion, trade facilitation and market access and environment management. She said the South-South cooperation projects were based on the following criteria: that the technical expertise and/or know-how originated or at least was available in the developing countries; that the beneficiaries of the technical cooperation projects from the South could get acquainted with the experience and its specific application in another country of the South through study tours and/or individual and group training programmes; and that more than one developing country was participating in the technical cooperation project with at least one component aimed at promoting South-South cooperation.

57. The representative of the UNCTAD/WTO International Trade Centre reported on an innovative South-South trade promotion programme that involved systematic analysis of trade flow information, identification of areas of trade potential and of prospective trade partners, and finally, the organization of meetings at which buyers and sellers in a region were brought together. He said that in July 2003, hundreds of buyers, sellers and producers of pharmaceutical products would converge in Lima to discuss and close deals on trade in drugs and medical products. Members from the academic community had also been invited to attend this conference in order to explore and ways and means by which the cost of drugs and medicines could be lowered. As a result of ITC buyer-seller meetings to facilitate the supply of humanitarian supplies from African countries to meet the needs of other African countries, international relief agencies had made deals close to $5 billion worth of services and products.

III. Thematic Discussion

58. Her Royal Highness Princess Basma Bint Talal of Jordan gave the keynote address at the opening of the session on the thematic discussion on "enhancing the role of the private sector in promoting South-South cooperation, including triangular cooperation". She observed that while healthy competition could help to foster effective, productive private enterprises, competition and cooperation did not need to be mutually exclusive. She invited the audience to "give serious thought to the millions of children we can educate, the diseases we can eradicate, the hungry and homeless we can feed and house and the jobs we can create when governments and corporations as well as small and medium enterprises, in the North and the South, work together for the benefit of our common humanity". She therefore called for a re-thinking of South-South cooperation, placing it in the context of the pursuit of the Millennium Development Goals elaborated by world leaders at the Millennium Summit in September 2000.

59. She stated that a holistic view of development sought progress on many different fronts, driven by institutions and sectors that reinforced each other and that inevitably had to include a wide range of actors. With an estimated population of 4.9 billion, the South had an abundance of the most important resource – people. Therefore, the critical challenge was to unlock the creative potential of every individual in the South, which in turn would create a dynamic force for personal and socio-economic progress. This challenge included the need for public and private sectors to forge a partnership for the development of local expertise and strategies in order to retain expertise at home and encourage those who had left to return. Her Royal Highness noted that the Republic of Korea and Singapore had useful lessons in providing incentives for retaining local expertise and attracting foreign talent.

60. Her Royal Highness gave examples of areas where there were opportunities for the private sector to invest in triangular cooperation, including the information and communications technology sector. Owing to their flexibility, those technologies could be adopted by small and medium-sized enterprises in the South. In Mauritius and Togo, for example, telephone call centres supported services in Europe and North America while in Cape Verde, virtual security guards monitored webcams for office parks in the United States. She noted that new opportunities for engagement by the private sector in triangular business arrangements were always arising. One notable example was the African Growth and Opportunity Act, which was signed into law in May 2000 and which presented a new window of opportunity for the African business community to interact with entrepreneurs from the United States and other parts of the world.

61. With respect to challenges that needed to be met through South-South cooperation, Her Royal Highness singled out neglected diseases such as malaria, trachoma, syphilis, tetanus and leprosy that afflict people mainly in the South. Stronger public-/private-sector partnerships and South-South or triangular cooperation arrangements to support pharmaceutical and research-and-development initiatives in the South were needed to address these diseases.

62. Following the keynote address, the President invited Dr. Leticia Ramos Shahani, former Senator from the Philippines, to be moderator of the discussions. The moderator outlined the structure of the thematic discussions and stated that the programme would focus on three broad areas: remittances, pharmaceuticals and health care, and information and communications technology.

A. Remittances

63. Five panellists made presentations on remittances: Mr. Hatch Toffey (MasterCard International, United States); Mr. Roy Pratt (Opportunity International, United Kingdom); Mr. Marc Keller (Southland Partners, Mexico); Mr. Christopher Th. Coonen (Western Union, France); and Dr. Manuel Orozco (Inter-American Dialogue, United States). They defined remittances as money sent by expatriate workers to their respective home countries. Global remittances totalled US$150 billion in 2002. The participants noted that besides its size, the remittance industry had important economic significance in developing countries. For

example, remittances accounted for 37 per cent of the gross domestic product (GDP) of Togo and 11 per cent of the GDP of Morocco and the Dominican Republic.

64. Another important characteristic of remittances was that only one in six recipients accessed the money through the formal banking system. If all the money could be harnessed in the formal system and channelled into loans for investment and development, the impact would be phenomenal. The panellists suggested that the United Nations, the private sector and non-governmental organizations could develop a remittances-for-development programme aimed at increasing awareness of the potential impact of remittances, lowering costs in order to increase the amount of money that reaches the developing world and improving technology and other infrastructure used in cross-border transactions. The role of the private sector would be to increase options and introduce new technologies that would help to transform the money transfer industry to the benefit of the poor. One of the products already on the market is the opportunity card. This is a prepaid card linked to an account operated by the sender, who loads money onto the card for the recipient to draw against or use to pay for purchases.

65. Delegates raised concerns about the cost of remittances, which could be as high as 10 to 15 per cent. They also wanted to know whether there were any cost implications for developing countries when remittances were delivered in local rather than hard currencies. On the question of costs, the panellists responded that widespread use of the formal system would lead to reduced costs through economies of scale. Furthermore, improvements in technology also tended to reduce costs. Regarding the currency of payment, senders had to be educated about the benefits of using the formal system in terms of security of transactions and speed of delivery in order for them to switch from informal to formal remittances.

66. Since many delegates from developing countries still had much to say on the subject of remittances, the Director of the Special Unit for Technical Cooperation among Developing Countries suggested that the issue of remittances could be discussed further at another meeting that could be arranged.

B. Pharmaceuticals and health care

67. Dr. Bala Krishnan of Averred Eye Care System (India) shared the experiences on the role of the private sector in development, focusing on the pharmaceuticals and health sector. He said that this non-profit organization was started in 1976 as a very small hospital with only 11 patient beds. By 2002, the hospital had grown and now receives more than 1.3 million outpatient visits annually and performs approximately 194,000 eye surgeries a year. Of these, 54 per cent of the outpatient visits and 65 per cent of the eye surgeries were free.

68. He stated that since most of the blind patients were either poor or very poor, it was necessary to develop a community outreach programme to take the services to the rural communities. The organization was also able to provide free services owing to those clients who paid high fees because of the high quality of the services (effectively subsidizing the free care) and also to the involvement of NGOs.

C. Information and communications technology

69. Mr. James P. Clark, the founder and Chief Executive of World Technology Network, noted that there were different roles for the private sector, in particular, to sustain wealth and create jobs. Sustainable development required a vibrant private sector and in the twenty-first century, information and communications technology (ICT) was the driving force.

70. He stated that ICT helped people to become more creative and innovative and if developing countries wanted to be part of this innovative process, they had to identify and work with a group of innovating players in the private sector. He invited delegates who were interested in exploring this further to attend the World Technology Summit to be held on 24-25 June in San Francisco where they could meet with the world's leading innovators in the technology field.

71. Mr. Makonnen Blake Hannah, Adviser to the Ministry of Commerce, Science and Technology (Jamaica), also addressed the delegates from the perspective of a young entrepreneur. He said that ICT made available a broad range of options for maximizing the economic potential of Jamaican music. The use of the Internet for buying, selling and listening to music, web sites for the display of public relations information, and the use of digital technology for recording and duplicating music adds to the variety of ways in which the Jamaican music product can be sold. Most of all ICT and digital tools give easier access to the creation of music by a broader range of users. The private sector could participate by providing funding, motivating youths and establishing scholarship programmes for "tech teens".

IV. Commemoration of the twenty-fifth anniversary of the adoption of the Buenos Aires Plan of Action on the Promotion and Implementation of Technical Cooperation among Developing Countries

72. As a prelude to marking the twenty-fifth anniversary of the adoption of the Buenos Aires Plan of Action on the Promotion and Implementation of Technical Cooperation among Developing Countries (BAPA), delegates were shown a video entitled "Building Bridges", which featured examples of South-South cooperation around the world.

73. The President of the High-level Committee welcomed the delegates on the occasion of the twenty-fifth anniversary of the adoption of BAPA. He noted that the General Assembly, in its resolution 57/263 of 20 December 2002, had mandated the High-level Committee to commemorate the anniversary. He invited the Under-Secretary General and High Representative for the Least Developed Countries, Landlocked Countries and Small Island Developing States to deliver the message of the Secretary-General.

74. In his message, the Secretary-General said that BAPA, endorsed by the General Assembly in December 1978, remained highly relevant today. Its enduring relevance could be seen in the emphasis placed on South-South cooperation by recent major conferences such as the South Summit in 2000, the Brussels Conference on Least Developed Countries in 2001, and the Monterrey Conference on Financing for Development and the Johannesburg World Summit on Sustainable Development in 2002. The spirit of South-South cooperation was a major factor in the social and economic progress achieved by member countries of ASEA and also a unifying force in various subregional groupings in Latin America and the Caribbean. Most recently, the African Union launched a promising vision of South-South cooperation in the New Partnership for Africa's Development.

75. He observed that South-South cooperation provided a tool for developing countries to help other developing countries to reach the Millennium Development Goals. It offered opportunities to focus on new issues such as information and communications technology, where a number of developing countries were beginning to play a leading role. It was also a crucial mechanism for addressing challenges of particular concern to developing countries, including the fight against diseases such as HIV/AIDS and malaria. In all these areas, a broad South-South partnership involving governments, the private sector and civil society was as critical as was the full engagement of the entire United Nations family. He called upon all member countries and the United Nations system organizations to renew their commitment to South-South cooperation on the occasion of the twenty-fifth anniversary of the Buenos Aires Conference.

76. The Group of 77 and China also made a statement to mark the anniversary of BAPA. It noted that BAPA was an ambitious expression of the aspirations of developing countries and a reflection of their desire to promote economic cooperation among themselves as a complement to North-South cooperation and as an integral part of the collective action of the Group and the promotion of international cooperation for development. The Group of 77 and China observed that the past twenty-five years had raised several questions, particularly those relating to the financing of South-South cooperation. There was a need to find appropriate organizational modalities to tap effectively resources from various international organizations

and financial institutions that could be directed towards supporting South-South cooperation activities and programmes. It was also necessary to outline a common strategy to foster international support for regional and subregional economic cooperation. In addition, the Chairman of the Group of 77 expressed its warm appreciation of the work of the Unit and pledged its firm commitment to working more closely with the Director and her team in the years to come.

77. The Group of 77 and China expressed strong support for the activities being undertaken by the Special Unit for Technical Cooperation among Developing Country. They recalled that in their deliberations, the Ministers for Foreign Affairs of the Group of 77 and China, who met last September in New York, had expressed their satisfaction with the outstanding performance of the Special Unit in support of South-South cooperation. They urged the United Nations system to articulate a global strategy that would enable developing countries to respond adequately to the challenges of globalization and liberalization. The Group of 77 and China indicated that it would ensure that issue would be discussed in depth at the High-level Conference on South-South cooperation to be held in Marrakech (Morocco) from 16-19 December 2003.

78. In its statement, the European Union noted that a quarter of a century had passed since the adoption of BAPA and that during those years, the world had changed significantly. Some things, however, had remained the same: namely, the need for developing countries to develop self-confidence and self-reliance and to use their common traits and elements of history and geography in their striving for development.

79. They recalled that five years ago, on the occasion of the twentieth anniversary of BAPA, a number of achievements and shortcomings had been noted. Yet again, at the twenty-fifth anniversary, there was a balance between what had been achieved and what should have been achieved. This could only mean that the process that had started with BAPA had been effective although there was room for further improvement. This would depend mainly on the developing countries themselves, their policies and strategies in that regard, and the conditions under which they took part in the globalized world.

80. The European Union and its member States had been actively involved in supporting BAPA, mainly through the Cotonou Agreements on the one hand and the Euro-Mediterranean Partnership on the other. It had been extending financial and technical assistance to promote regional dialogue, exchange and cooperation. The European Union would remain a supporter of triangular cooperation and would continue to be a reliable partner.

81. The representative of the Latin American Economic System (SELA), on behalf of Latin America and the Caribbean Group, and the Permanent Representative of Argentina, the country where BAPA was launched twenty-five years ago, also made statements reaffirming their support for South-South cooperation.

V. Organizational matters

82. The High-level Committee held its organizational meeting in New York on 13 May 2003 to elect the Bureau of the thirteenth session of the Committee and to adopt the provisional agenda and programme of work.

A. Agenda of the organizational meeting

83. The High-level Committee adopted the agenda of its organizational meeting (TCDC/13/L.1).

B. Election of the President

84. H.E. Mr. Boniface Chidyausiku, Permanent Representative of the Republic of Zimbabwe to the United Nations, was elected President of the High-level Committee by acclamation.

C. Election of officers other than the President

85. The following officers were elected by acclamation:

Vice-Presidents:

H.E. Mr. Milos Alcalay (2003)	*(Venezuela)*
Mr. George Talbot (2004/05)	*(Guyana)*
H.E. Mr. Mirza Kusljugic	*(Bosnia and Herzegovina)*
H.E. Mr. Adamantios Th. Vassilakis	*(Greece)*

Rapporteur:

Dr. Sharifah Zarah Syed Ahmad	*(Malaysia)*

86. The High-level Committee approved the President's recommendation that Ambassador Milos Alcalay should serve as Chairman of the Working Group. It was subsequently agreed that the Chairman should also serve as Rapporteur of the Working Group.

D. Adoption of the agenda and organization of work

87. The High-level Committee adopted the agenda (TCDC/13/L.2) and the organization of work (TCDC/13/L.3). A general debate would be held in the plenary from 27 to 28 May 2003, on items 2, 3 and 4. The Working Group, scheduled to begin its work on 29 May 2003, was assigned agenda items 2, 3 and 4 for substantive discussion and recommendations to the Committee. For a list of documents considered by the Committee at its thirteenth session, see annex II to the present report.

E. List of documents before the High-level Committee on the Review of Technical Cooperation among Developing Countries at its thirteenth session

TCDC/13/L.1	Organizational meeting, New York, 13 May 2003
TCDC/13/L.2	Provisional annotated agenda, including list of documents
TCDC/13/L.3	Adoption of the agenda and the organization of work
TCDC/13/1	Review of the progress made in implementing the Buenos Aires Plan of Action, the new directions strategy on technical cooperation among developing countries and the decisions of the High-level Committee
TCDC/13/2	Consideration of reports of the Administrator of the United Nations Development Programme
TCDC/13/3	Revised Guidelines on the Review of Technical Cooperation among Developing Countries